

School Impact Fee Working Group
(Established by Act 246, Session Laws of Hawai'i 2005)
State of Hawai'i
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Minutes of Meeting

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawai'i Revised Statutes.

Date: Monday, October 23, 2006

Time: 9:00 a.m.

Place: State Capitol
415 South Beretania Street
Conference Room 225
Honolulu, Hawai'i

Present: Senator Sakamoto, President of the Senate Designee
Austin Imamura, Designee for the Mayor of the City & County of Honolulu
Randy Moore, DOE, Superintendent of Education Designee
Anthony Ching, Executive Director, Land Use Commission
Councilmember Mel Rapozo, President of the Hawai'i Association of Counties
Duane Kashiwai, DOE Employee whose primary area of responsibility is repair and maintenance, capital improvement projects, and land use planning
Dean Uchida, Executive Director, Land Use Research Foundation
Bob Bruhl, Development Community Member

Marion M. Higa, State Auditor, Office of the Auditor
Jan Yamane, Deputy Auditor/In-House Counsel, Office of the Auditor
Pat Mukai, Secretary, Office of the Auditor

John Stott, Duncan Associates

Heidi Meeker, DOE
Sanford Beppu, DOE
Alan Arakawa, Castle & Cooke
Laura Kodama, Castle & Cooke
Carlton Ching, Castle & Cooke
Dan Yasui, Alexander & Baldwin

Absent: Patricia Park, DOE, Central Oahu Complex Area Superintendent
Representative Takumi, Speaker of the House of Representatives Designee

Call to Order: Chair Sakamoto called the meeting to order at 9:05 a.m., at which time quorum was established.

Chair's Report: **Announcements, Introductions, Correspondence, and Additional Distribution**
Referring to the Working Group's letter dated October 6, 2006 to Councilmember Kane, Chair Sakamoto thanked Councilmember again for serving on the Working Group and his leadership as Vice Chair.

Department of **Presentation**

Education: Member Moore turned the DOE presentation over to Member Kashiwai, who presented a matrix for Capital Improvement Projects (CIP).

Member Kashiwai began with an overview outline of the following topics: 1) prioritization system for Capital Improvement Projects – the matrix; 2) recent schools and total contribution; 3) construction costs of recent schools; and 4) capacities, enrollments, and growth – Ewa schools.

Prioritization System for Capital Improvement Projects – The Matrix

Referring to a single sheet handout entitled CIP Priority Matrix – Department of Education, Member Kashiwai highlighted four categories: A – public safety; B – classrooms; C – support facilities; and D – state and district facilities. Within each category, there are five numbered priorities, with “1” being the most severe.

Schools to Open Between 2000 – 2008

Member Kashiwai summarized recent schools and contributions. There are five (5) elementary schools; one (1) middle school; and one (1) high school. The total acreage is about 117 acres, with land contribution about 47 acres. The total construction cost was about \$264 million, with a cash contribution of approximately \$1.56 million. The \$1.56 million was for the elementary school at Maui Lani.

Total Fair Share Contributions

Summarizing his slide, Member Kashiwai indicated that the total contribution was about \$5.175 million; the account balance (as of 09/30/06) is approximately \$2.280 million; the DOE's expenditures were about \$1.314 million; and the amount to be collected equals about \$1.579 million.

Mr. John Stott, Duncan Associates, asked if monies are to be collected, to which Member Kashiwai answered yes. Mr. Stott asked if monies are collected as units are built. Member Kashiwai indicated yes, as units are closed.

Expenses vs. Income – Timing

Member Kashiwai clarified that the slides are out of order. Turning to the “Expenses vs. Income – Timing” slide, he stated that contributions are typically collected at the sale of each unit and that build outs can take 25 years. If schools are needed, costs typically occur early. For example, a 5,000 unit development with 25-year build out requires 2 elementary, 1 middle, and 1 high school.

School Construction Costs

Member Kashiwai summarized the school costs for the following schools:

Actual costs:

Ocean Pointe = \$26.8 million
Kapolei Middle School = \$36.9 million
Kapolei High School = \$98.7 million

Future costs:

Elementary = \$43 million
Middle = \$68 million
High = \$144 million

Vice Chair Uchida asked how the future costs were extrapolated. Member Kashiwai answered that the numbers reflect what it will be 4 years from now, in 2010. Member Bruhl asked about “ed specs.” Member Kashiwai explained that those are the design and construction guidelines for a school. A general classroom should have so many square feet, utilities, etc. Member Bruhl asked about the basis for the ed specs, to which Member Kashiwai responded that it's the educational need of programs, changes to programs in the system. Member Bruhl asked if it's based on some form of national standard, to which Member Kashiwai answered yes.

Member Bruhl asked if the ed specs are uniform throughout the state. Member Kashiwai said that standard sizes are set, then there are additional details, and a lot of numbers are factored in. Vice Chair Uchida asked how does the DOE address changes in the ed specs. For example, Kapolei High School today versus Radford or McKinley High School, there's a difference in the

specs, so is DOE doing a comprehensive update? Member Kashiwai said if you look at the department's budget request, there are certain categories like electrical upgrades. That's a big one that will hopefully bring some of the older schools like Farrington up to Kapolei's standards.

Capacity, Enrollment & Growth – Ewa Complex Schools

Member Kashiwai stated that they looked at schools that could possibly be included in the study area, Ewa. The three Ewa complexes are: 1) Campbell; 2) Kapolei; and 3) Waipahu. All three are currently over capacity. Two of the three are expected to get more crowded by 2011-2012.

Ewa Complexes: Facility Capacity, Enrollment, and Growth in Enrollment, 2005-06 to 2011-12

Member Kashiwai explained that the number of students over capacity in 05-06 are:

Campbell High = 84 over – predicted to go up to 336

Kapolei High = 380 over – predicted to go up to 601

Waipahu High = 423 over – predicted to go down to 303

Vice Chair Uchida indicated that part of what we're looking at is the level of service to calculate the impact fee. Aside from electrical upgrades, are there other things that DOE does to upgrade all the classrooms? Member Kashiwai answered it depends on the amount of funding the Legislature appropriates.

Mr. Stott interjected that legally, impact fees are based on replacement costs. If it's a 1960 facility, replacement would be at the current level. For this study, the consultant will look at recent school construction and match how much it costs per square foot. So, it's not based truly on standard construction design. For example, they have guidelines and standards for acres for schools but they don't always meet the design standard, so we have to account for that. Mr. Stott indicated under impact fees, the commitment to upgrading existing facilities is separate. It is something that is addressed separately and it is subject to interpretation. Generally, that is the case nationally. Again, even if you look at historic cost, and you upgrade the cost, you often end up in the same spot. You need to have a standard and recent schools are best to base your fee on. You can't go back to 1960 facilities because that's not what they're going to be building.

Chair Sakamoto said that different schools have different capacity of students and design capacity – 800, 300, 200 – so on DOE's future elementary, middle, and high school, what capacity is the DOE estimating. Member Kashiwai answered, the design capacity is as follows: 500 = elementary; 600 = middle; and 1,000 = high school. Member Moore indicated 6th, 7th, and 8th grades are designed for middle school, Waipahu and Ilima Intermediate have only 7th and 8th grades, but the design is for 6th, 7th, and 8th. Chair Sakamoto asked about per pupil costs. Member Moore answered that based on the future school construction costs (see slide "School Construction Costs"), the per pupil cost is \$80,000 for elementary, \$110,000 for middle, and \$140,000 for high.

Chair Sakamoto indicated that he is uncomfortable with everything being so uncertain, all just estimates. Member Moore indicated that they can take, for example, Ocean Pointe Elementary's costs of \$27 million and escalate it to 2010. Chair Sakamoto asked DOE to map out the last twelve years and include other factors as necessary. Obviously it's not the same on Kauai or Maui, Ewa, but there were new elementary and middle schools built all across the state. The Chair indicated a desire to instill confidence in this group and the broader group so that our projected numbers are in costs.

Member Bruhl commented that Kapolei Middle School is designed for 1,500 students as opposed to 600 students. So, 1,500 students for \$37 million is a lower cost per student. Something has changed in the design standard and it would be important for us to understand that conceptually. Chair Sakamoto asked whether the DOE has a subgroup of architects, engineers, etc. who can give the group some level of confidence on the numbers.

Member Councilmember Rapozo posed a question, if Kapolei High School in 2000 was designed for 1,953 students, what is the cost per student? Mr. Sanford Beppu, DOE, said it wasn't design capacity. Member Councilmember Rapozo asked what determines the capacity. Member Kashiwai said design enrollment is something brought up by how many students per classroom.

Programs are designed for 24 students, but can go up to 30 students. Technically, that's not over capacity but it is above the enrollment designed for the program. 1,800 is the design capacity for Kapolei High School. Member Councilmember Rapozo said that a capacity of 1,800 for Kapolei High does not match the "future high = 1,000," so again, the numbers have changed.

Member Moore asked where portables go in capacity count. Member Kashiwai indicated Campbell High School, for example, has 2,199 students as its capacity. There are a significant number of portables on that campus, something like 27 portables. So, a large number of those classrooms are added since the buildings were designed. Member Bruhl asked about the capacity for a portable. Member Kashiwai answered 24 students. Mr. Beppu clarified it would be 25 for elementary. Member Bruhl stated in the case of Campbell, 2,200 was the capacity. 700 is the modular capacity. The school itself was designed for 1,500 students. Member Moore said some permanent classrooms are about to be added to Campbell. Original designs and some of the additions are permanent and some of the additions are portables.

Chair Sakamoto said going back to Koa Ridge, the greenfield, DOE's ideal high school now would be 1,000 students. So if a high school has 2,400 students, 1,800 students, or 1,000 students, is the administration building the same size? Member Kashiwai answered that a lot of the specs are pretty much the same. Chair Sakamoto asked about the gym, swimming pool, locker rooms. Member Kashiwai stated for the locker rooms, it depends on their use. If it's for physical education, it will be adjusted somewhat; if it's for OIA, it would be different.

Vice Chair Uchida would like to see the housing unit projection used to calculate for example, Kapolei. What were the assumptions on dwelling units, multi-family, single family, to get DOE to the figure it had for 1,800 high school students? Member Kashiwai indicated the enrollment projections are done by other offices, but they are invited to attend the Working Group if needed. Vice Chair Uchida continued--construction, cost estimates, Ocean Pointe, Kapolei Middle, Kapolei High--is there any attempt to reconcile projection versus capacity? Member Kashiwai stated there are ongoing adjustments made. Sometimes schools operate differently then they anticipate. Vice Chair Uchida indicated a need for confidence in the construction and on the planning side. The enrollment at Kapolei is already over capacity and you're only 10 years into the build up. So, how much longer is that excess capacity going to continue?

Member Moore commented that Mililani is going to continue to grow. Mililani has really been a surprise to DOE because the usual Kaimuki, Hawai'i Kai effect of school population going up and then going down did not occur. If you look at last year, we have enrollment in the Mililani schools of about one-half of public school students per dwelling unit across the Mililani system. Every two houses, 1 student.

Chair Sakamoto indicated one issue is the construction cost, another issue is the ed specs, another issue is the projection, projected student enrollment and why projections just a few years ago, or ten years ago that are now already perhaps called into question. Member Kashiwai said with the school cost, you take a brand new elementary school, then divide among the exact data for that. The ed specs are in a 3-volume document. Member Bruhl thinks it's important to understand what construction changes have occurred, because it seems like it's more than just natural material cost increase. Member Kashiwai explained, for example, if Campbell High School has an administration building that was designed and built in 1964 and it's 800 square feet, today's standards require 1,600 square feet.

Chair Sakamoto said the group also needs to look at acreage, do we need to construct schools as separate buildings with air space in between because of no air conditioning, will security be a future concern, do we want campuses spread out, or built in a different configuration to minimize future security concerns, what does all of this do to acreage requirements. Vice Chair Uchida asked what about existing schools. Are you bringing the enrollment down so it matches your current design specs for new schools? Member Kashiwai answered that DOE is building new classroom buildings to help with enrollment to increase the capacity rather than bring the enrollment down. The enrollment reflects the construction of the neighboring community. If the community keeps having kids enrolled, then, DOE has to adjust by bringing up capacity rather than reducing enrollment.

Campbell High School for example, is over capacity, so DOE plans to build new buildings. Vice Chair Uchida asked, regarding Kapolei High School which was designed at 1,800 in 1998 and now the spec is 1,000, is it DOE's goal to bring the enrollment at Kapolei down to 1,000 so it matches the new high school? Member Moore responded no. Vice Chair Uchida stated that there appears to be an adjustment, DOE is asking for basically the same footprint but less classroom, less enrollment, same overhead, administration building, cafeteria, etc. Are support facilities proportional to enrollment? Chair Sakamoto asked whether this is a Board of Education decision. Member Moore said no. The desirable design was the board's decision based on an understanding. Member Moore explained that you can't compare Kau High School to McKinley to Kapolei.

Chair Sakamoto commented that school reform's goal is to get smaller high schools. Some of the 2,000-student high schools actually divide up into four learning communities. So, you can develop a smaller learning community even if you have 2,000 students. If we want all the schools to have smaller learning communities, then schools like, say Farrington, need four or five learning communities, not two high schools to accommodate the students. Vice Chair Uchida looked at the differences, say between the new classrooms with air conditioning and the old ones without. Member Bruhl that even the new schools have changed in the last five years, take Kapolei for example. Member Kashiwai added that the school system has evolved over 100 years. So, there are building over 80, 60, 40 years old. Chair Sakamoto asked whether we should look at brand new schools built in the last 12 years and see what's their design capacity. He requested DOE to prepare a graph.

Member Ching commented regarding schools to open 2000 – 2008, there is a tremendous disparity both in land contribution and total acreage required as well as DOE's cash contribution and total construction cost. So, in that particular case, what percentages does DOE assume are going to be legislative contribution, DOE's current contribution, and other funding sources? Is DOE assuming a percentage contribution for legislative, the current contribution policy, and other funding source because you're projecting to build these schools. Member Kashiwai responded that this is what exists now, the acreage versus the cash. Chair Sakamoto asked if this is 15 percent paid by the developer, to which Member Moore answered zero. Member Kashiwai clarified that 1.56 is for expansion area.

Chair Sakamoto asked whether the Land Use Commission, through whatever process, tells the DOE that it has an opportunity to get money from these developers. Member Ching reiterated that there's tremendous disparity between the projected cost and the contribution levels. It assumes that the Legislature is going to take care of nearly 100 percent, although the land contribution probably won't show up as a percentage, you're just going to need more land and a whole cost. Also, looking at the three Ewa complexes, there is over capacity in the high school and a drop in the other areas in Waipahu. But then, there is growth in one of the Waipahu elementary schools. I don't know of too many new projects that are going to come in on that particular area. So, I would project no impact fee contribution unless you have some other slush fund, then it's going to be 100 percent state. Member Moore indicated there will be no new schools.

Member Ching continued the discussion about a fixed strategy and dealing with over capacity issues in the Ewa area. Mr. Beppu stated that the Campbell complex will have the future Ewa Makai Middle School, which is not shown on the chart. It will be a 6th, 7th, and 8th grade configuration versus the 7th and 8th configuration. Member Ching then stated that the 400 students that you're over capacity for the first three elementary schools will be accommodated likely by portables and then, the next three elementary schools which are down 472 slots. When Ocean Pointe comes in 2007, that would take the new students coming from the new Ocean Pointe homes and the new Ewa Gentry homes. Is that the strategy?

Member Ching also raised that DHHL is planning a significant residential community in that area, right below, next to the North-South Road. Is that enrollment factored into the Kapolei complex and does DOE factor in DHHL communities that are being developed? Member Ching stated that in 9 out of 10 cases, DHHL does not come before the commission. So, should we assume

that homes or school impacts are not going to be factored into or supported by any formal regulatory action? Member Moore responded that DOE does consider those developments and that Hawaiian Homes will provide school sites. The other one in here is UH West Oahu.

Member Ching said that one of this group's examinations or analyses should be what might be the desired and objective threshold for contributions. The land contribution in these three complexes will not do much because the need is not enough to justify another school. They don't need more land, they need only cash, but the cash to do portables has to be projected and tied to the impact fee in order to generate a positive result from that contribution. The Legislature has to pay for everything else. Senator Sakamoto indicated from a legislator's opinion, the thought is the developer and the community buying homes were actually paying a bigger portion. Member Ching said it looks like we're only building elementary schools and the expectation is the students will bleed off in middle and high to private schools. According to Mr. Beppu, the middle schools are going to take 6th, 7th, and 8th and so forth and you can add capacity but if you look consistently in you three complexes, the high schools are over capacity. So, it means that there's going to be a continuing strain or burden on the high schools to meet the capacity of the student population. There seems to be a disparity—we need to add high and middle schools. Chair Sakamoto stated that he would like to see a spreadsheet that covers students from K – 12 and shows the attrition rate. We need to have confidence that the size of schools that we're projecting for will accommodate all of these students. Member Kashiwai responded that can take the enrollment projections for one complex, take a year's worth of students, track the students from Kindergarten through high school. Chair Sakamoto suggested Mililani or Campbell complex.

Member Ching commented about school closures. There are insufficient declines in enrollment to close schools and even if you found one, such as Ala Wai Elementary, the disparity in terms of the cash contributions and the construction costs, it's not going to help much with the percentage basis against the overall costs. So, that would be a false hope to expect that we're going to sell off schools and make a ton of money. The hard look is what the percentage is going to be on your contribution policy. Vice Chair Uchida indicated that selling under-utilized schools is not going to solve the problem. You have to look at how the whole school district is being managed and how existing resources are being utilized. This allows you to get creative in what you're going to do with the under-utilized schools. The other point is that according to Member Moore, there was no fair share contribution, no money collected on the schools built between 2000 - 2008. Vice Chair Uchida thought DOE started implementing the revised fair share contribution in 2004, with a big increase in the Ewa area in 2005, which caused the Superintendent to pull it back. There is money being collected right now.

Member Moore clarified there is fair share which is not the same as impact fee. Chair Sakamoto indicated we're not talking about impact fee because we don't have one.

Chair Sakamoto stated, you need to show us what the current practice is. We need to know what is happening now. Member Bruhl stated the Estate of James Campbell provided 12 acres of land zoned and agreed to grade the site and bring in a million yards of fill. We agreed to pay \$2,541 per single-family home, in installments, when homes are closed, 100 at a time, and \$997 per multi-family home. In all, we expect we will pay around \$1 million, one-half in cash, and provide the land. Here, it isn't reflected in these numbers. Sewer, water, and drainage capacity are also being provided at no cost. There are infrastructure costs also. Many of these fair share agreements were put into place prior to a change in practice at the DOE when it moved from just land to land and cash. So, it's tough for any of them to show a dollar contribution.

Member Imamura shared his concerns. The scope of this committee is to try and pinpoint the precise numbers and to work with DOE to come up with something we can agree on. There are too many numbers. He asked DOE to enlighten the committee on the numbers being presented today. He cautioned the group to stay within the scope. Chair Sakamoto wants the numbers to be within a reasonable range or comfort level. Member Imamura stated that he hopes it will include the cost of land, since that is an important component. These dollar amounts that we're talking about as far as contributions are so nominal.

Ms. Yamane indicated the working group had agreed to meet on November 20th for an all day workshop. If the group wants to hear DOE's information ahead of time, the group will have to commit to another meeting prior to November 20th.

Consultant Contract: Ms. Yamane said the Office of the Auditor is working with the consultant to draft an amendment. Chair Sakamoto stated that the money appropriated from the last session is sufficient to cover the work in the amendment. Member Councilmember Rapozo recalled that of the \$25,000 available, \$20,000 is what they needed. Mr. Stott agreed.

Consultant's Update: Mr. John Stott, Duncan Associates, stated that greenfield is more straightforward because it begins with nothing there. The nexus is clear. That is the case in Central Oahu, the site of the initial case study. The challenge comes when there are scattered site development or infill development within existing development, existing school facilities, new development that's less than 5,000 units, maybe a 1,000 unit development or 500. The Ewa area has a mix of things going on. The challenge with existing facilities is you have to account for capacity deficiencies in the existing capacity. There are a number of schools that are over-capacity already and using portables. With portables, there's no replacement value.

Speaking to the cost of schools, generally, the legal test for impact fees is about proportionality. In order to meet that standard, there are a number of ways to measure costs. The best way to do that or the most common way to do that is replacement cost based on recent experience, cost experience. There are deficiencies in existing facilities. The greenfield study will provide a really good opportunity for us to discuss that issue in relation to existing areas in Ewa.

Vice Chair Uchida commented that on the Big Island, one of the biggest concerns was roads, that is, what is the design of the road that's going to be subject to impact. With existing roads, there are differing standards. So establishing standards is important. Also, Vice Chair Uchida wants to make sure that the infill study captures, as much as possible, situations across the state and on the neighbor islands. Chair Sakamoto asked the consultant to explain again about the portables being substandard and therefore not chargeable. Mr. Stott explained they are what is called existing levels of service which is the replacement value of existing facilities and what you base the fee, ultimately, what the fee gets based on. So, because portables are not considered permanent—they are temporary classrooms—they are not considered part of the existing levels of service. They are temporary solutions to capacity problems. They are not a permanent solution to existing facilities. Chair Sakamoto asked whether this applies to high quality portables that are air-conditioned and made of steel-framing and wood.

Mr. Stott said you want to build your facility true to what should be built, you don't want to value it based on the portables and square feet. They are temporary solutions to capacity problems. If you built a new school with all temporary classrooms, that could be a challenge.

Member Imamura asked if these portables are true portables, to which Chair Sakamoto answered yes, there are contracts every summer to relocate portables at the cost of \$100,000. Member Bruhl commented that he works for a developer who has large, considerable land holdings in Ewa. They are building and constructing homes subject to current fair share agreements.

Member Bruhl asked about the differences among jurisdictions. Mr. Stott responded that in Austin, Texas, it's \$180,000 for the average single family home. Chair Sakamoto commented that we can't just look at the school construction cost, need to also look at what the unit cost is.

School Impact Fee Working Group - Subgroup: Ms. Yamane indicated that if the group wants to create a subgroup to do an outside site visit to Le Jardin Academy, there are Sunshine Law requirements. Under Section 92-2.5, HRS, members may interact outside of a board meeting for official board business under certain circumstances. Paragraph (b)(1) talks about investigating a matter relating to official board business. In this case, the working group is a board. There are three requirements: 1) scope of the investigation; 2) all results and recommendations presented to the board; and 3) deliberations and decision-making. The purpose today would be to satisfy the requirements and appoint the members of the sub-group; establish what it is they are going to look at; and

determine the way in which they are going to report back to the working group. And finally, whatever decision-making this group makes will be noticed in an agenda. First, the group needs to identify the purpose of the site visit and what you hope to accomplish.

Member Bruhl said a few meetings ago, we discussed the potential cost involved in building schools and it was suggested that we visit Le Jardin Academy because it is a recently constructed private school. It would provide the group with a comparison.

Ms. Yamane stated next would be the appointment of the members. Member Bruhl indicated it was suggested that the three DOE members be appointed. Chair Sakamoto then appointed Members Bruhl, Kashiwai, Moore, Park, and Uchida. Member Councilmember Rapozo stated that the group must be less than a quorum. Chair Sakamoto asked Member Bruhl to present the findings. Member Bruhl agreed that he would present the subgroup's fact-finding, but if he is unable to attend, he would ask Vice Chair Uchida to present. Upon a motion by Member Moore, seconded by Vice Chair Uchida, it was voted and unanimously carried to appoint Members Bruhl, Moore, Kashiwai, Park, and Uchida to the subgroup for the purpose of conducting a site visit to Le Jardin Academy to do fact-finding, with Vice Chair Uchida reporting back to the Working Group.

Member Moore presented his understanding of what the Working Group would like to see from DOE at the meeting on the 20th:

- 1) Schedule of expected future fair share contributions – agreement with developers already in place;
- 2) Schedule of school costs – including the land value of schools we built over the last 12 years and their design capacity, cost per student;
- 3) Definition of capacity;
- 4) Basis for these designing capacity targets of 550 for elementary, 600 for middle, and 1,000 for high school;
- 5) Explanation of changes in the ed specs and impact of these changes on school costs;
- 6) Support facilities and land area needs proportional to the design or do you start with a fixed amount;
- 7) Provide current bid estimate cost for schools;
- 8) Explanation for enrollment projections – students generated by single-family house, multi-family unit; and
- 9) Students per grade level in Mililani and Campbell complexes.

Chair Sakamoto indicated that he'd like to see the numbers for the Mililani and Campbell complexes and get a better understanding of how students move through the system. Member Moore said if you look over time, there's another factor at work that is not related to drop out, the sort of attrition you would expect in a steady state. In a steady state, you would expect attrition between 5th and 6th grades, kids go to private schools, you would expect more attrition possibly between 8th and 9th, and you would expect attrition beginning in the 9th grade as students simply leave school. So, in addition to that sort of step decrease in school population, there is a wave that follows birth rates that will distort interpretation of that data. It's easy to provide but I would caution against using it to come to conclusions.

Member Councilmember Rapozo asked what else is planned for the 20th. Mr. Stott said they are presenting the initial analysis and the greenfield case study. Member Councilmember Rapozo stated his concern that the information provided by the DOE on the 20th will distort the report. Mr. Stott responded that he's been in contact with DOE and that information will be reflected in the report. Ms. Yamane reminded the group that the next meeting will be scheduled the entire day. It is imperative that we know who cannot come. If we lose quorum, we have to stop the meeting. The meeting will be from 9:00 a.m., so please plan accordingly.

If DOE information is ready to distribute prior to the meeting, it can be emailed to members. Member Bruhl asked if the subgroup is allowed to circulate a draft and notes, to which Ms. Yamane answered yes, as long as there is no decision-making. Member Bruhl also asked

whether his involvement presents a conflict. Ms. Yamane answered that he represents the larger development community, not just his employer. Members' actions are guided by the State Code of Ethics. Ms. Yamane offered to send Member Bruhl a copy of the code.

Next Meeting: Monday, November 20, 2006, all day
State Capitol, Room 225
9:00 a.m.

Adjournment: With no further business to discuss, Chair Sakamoto adjourned the meeting at 11:18 a.m.

Reviewed and approved by:



Jan Yamane
Deputy Auditor/In-House Counsel

November 21, 2006

☒ [X] Approved as circulated.

☐ [] Approved with corrections; see minutes of (date) meeting.

SIFWG/102306